



# Action Kick-off Meeting

## *2014-IT-TM-0543-W – Improvement of the Northern Italy Waterway System*

*Start: 01.01.2014    End: 31.12.2017*

*Total costs: 46,414,000 €    EC contribution: 9,282,800 €*

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Parma, 4<sup>th</sup> February 2016

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# INEA's expectations towards project implementation

- “ Congruenza tra GA e realizzazione progettuale;*
- “ Dialogo costante con il PM nel corso del progetto per l'identificazione e soluzione tempestiva delle problematiche.*

# Reporting requirements

## ***“ Action Status Report (ASR) ”***



**GA II.23.1.1**

- To be submitted by the Coordinator
- Due 31 March following each reporting period
- Template provided by INEA
- First ASR due by 31 March 2016
- First ASR shall contain specific information

## Multi pre-financings (1/3)

*The EU contribution to the Action is **divided** in **annual instalments** calculated on the basis of the **expected** spending profile of the Action and **adjusted each year**, following the submission of the **Action Status Report (ASR)**, in line with the **actual** spending profile:*

*“ A pre-financing equal to 40% of the first three years instalment (2014, 2015, 2016) has been paid at the signature of the GA*

## Multi pre-financings (2/3)

*“ The pre-financings of the subsequent instalments are paid on a yearly basis following the approval of the ASR(s) by INEA*

***N.B.:*** *The Beneficiaries have to explicitly request in the ASR for further pre-financing payments and provide a statement on the amount of the previous pre-financing payments used to cover costs of the action (Article II.23.1.2 of the GA)*

## Multi pre-financings (3/3)

- “ As from the submission of the first ASR, the Beneficiary(ies) of the Action can request an interim payment covering the balance of the previous instalment(s)*
- “ The **combined amount of pre-financings and interim payment cannot exceed 80% of the EU contribution** to the Action. The remaining 20% can only be paid following the completion of the Action and the approval of the final report by INEA*

## Multi pre-financings: example (1/3)

*Action with a EU contribution equal to €100 over 5 years. Expected EU contribution (instalment) per year €20:*

- “ Pre-financing payment of €8 at the signature of the GA (40% of the 1<sup>st</sup> instalment)*
- “ 2<sup>nd</sup> pre-financing payment of €8 following the approval of the 1<sup>st</sup> ASR (if spending profile of the Action is confirmed, otherwise the instalment is recalculated and the pre-financing adjusted accordingly)*



## Multi pre-financings: example (2/3)

- “ As from the 1<sup>st</sup> ASR, the Beneficiary(ies) can request the payment of the balance of the 1<sup>st</sup> instalment, i.e. up to a maximum of €12*
- “ Same situation in the following years up to max. combined amount of pre-financings and interim payments equal to €80 (80% of the total EU contribution to the Action)*
- “ Payment of the final balance, up to max. of €20, following the completion of the Action and the approval of the final report*

# Reporting requirements

## ***Interim financial statement***



**GA II.23.2.1**

- To be submitted with requests for interim payment, within 8 months of the end of the reporting periods
- Template provided by INEA (GA Annex VI)
- First mandatory IFS due by 31 August 2016
- Audit certificate (GA Annex VII)

## ***“Final report and financial statement***



**GA II.23.2.2**

- Within 12 months following completion date (and preferably earlier)
- Certification by the concerned Member State(s)
- Audit certificate (GA Annex VII)

## Eligibility of costs (1/2)

 GA II.19

- “ Templates for cost claims available on the INEA website
- “ Eligible costs are costs actually incurred by the beneficiaries, affiliated entities and implementing bodies which:
  - Are incurred during the action duration;
  - Are indicated in GA Annex III;
  - Are necessary for the implementation of the Action;
  - Are identifiable and verifiable;
  - Comply with tax and social obligations;
  - Are reasonable, justified and comply with sound financial management principles
- “ Examples of ineligible costs: return on capital, deductible VAT, costs of land and building acquisition, indirect costs...

## Eligibility of costs (2/2)

- Internal costs:
  - ✓ Time recording system required
  - ✓ Cost of staff must be actual (not average) and should include all tax and social security contributions. Other benefits can be included if actually part of remuneration package. An explanation of how the unit cost (man/day) was calculated must be provided.
  - ✓ Cost of staff cannot include overheads
  - ✓ Travel and subsistence can be reported – keep record of date, place and reason for travelling (keep documentation, can be included in sample of invoices)

## Financial documentation

- “ Need for appropriate accounting system and documentation to facilitate reporting and readily available upon request:
  - No invoices or bank statements to be provided together with financial reports, but INEA will ask for sampling
  - SAP printouts and bank statements accepted for payment documentation
  - Checks/ Audits possible during the GA implementation and until 5 years after the balance payment
  - Procurement documentation will be requested

# Procurement

 **GA II.9**

- Award to tender offering best value for money or, as appropriate, the lowest price
- Contracting authorities/ entities within the meaning of EU Directives shall follow applicable national / EU Directives public procurement rules
- For Beneficiaries other than contracting authorities/ entities, sound financial management
- Procurement will be verified at payment time together with the verification of the sampled costs (and documentation should be readily available for audit purposes)
- Non-compliance will lead to rejection of costs or reduction of support

# Budget transfers



GA II.22

- Adjustments **between budget categories and activities** of each beneficiary are allowed without this being considered an amendment. /provided activities are fully completed/
- However, **amendments** are always required for:
  - transfers of amounts between beneficiaries where no coordinator is designated,
  - modification to the total estimated CEF contribution, which beneficiaries are entitled to receive in case of penalties and recoveries

# Amendments

 **GA II.12**

- Shall not have the purpose or the effect of making changes which would call into question the award of the grant
- Amendments should be an exception. Will only be accepted in **duly justified and substantiated** cases
- Request for Amendments must be submitted by specific letter at the latest **3 months** before end date



# Publicity

“Publicity regarding the EU funding is an obligation. We expect at least the following:

- Information on beneficiaries' websites
- Billboards visible to the public during construction
- Logo on cover of study reports (+ disclaimer)
- Permanent commemorative plaque after completion
- Press releases, articles, presentation, etc. of activities co-financed by CEF must include a reference to EU funding
- Keep us informed about events (press releases, inauguration, etc.) as we would like to publicise it too!

Please see our [guidelines on publicity and downloads](#) on INEA's website

## Project follow-up (1/2)

“The formal reporting requirements form the basis to monitor the implementation of the Action

During the Action the PM will:

- Monitor on a regular basis the implementation of the Action and verify that it is consistent with the grant agreement.
- Initially based on the ASR but also through regular contacts and updates from you (every 3-4 months or as required), on-site visits, consistency of technical and financial progress, etc.
- Deal with ad hoc issues and problems, e.g. delays

After the end of the Action the PM will:

- Assess whether the Action has achieved its objectives and verify, together with a financial officer, that the costs are eligible and relevant, procurement rules have been respected, publicity measures followed etc. to determine the final amount of the grant
- This is based on the final report and financial statement and on a final close down meeting (normally on-site)

## Project follow-up (2/2)

- Contact the INEA project manager immediately when an issue occurs to agree how to proceed
- Be open and put all facts on the table – otherwise it could be too late to solve a problem!
- **INEA is there to help and support projects – use us !**

## Disclaimer

*The content and conditions of the grant agreement always prevail on any different information, which may be included in this document and/or in any formal or informal communication with the beneficiaries such as the approval of reports (e.g. ASR), exchange of emails, etc.*

### **European Commission**

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# Thank you for your attention

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